

Testimony
on behalf of the

Montana Stockgrowers Association

with regard to
the 2007 Farm Bill
submitted to the

United States Senate - Committee on Agriculture, Nutrition, and Forestry

The Honorable Saxby Chambliss, Chairman

submitted by
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Great Falls, Montana

Mr. Chairman, and Members of the Committee. Thank you for the opportunity to speak to you on behalf of the members of the Montana Stockgrowers Association (MSGA) regarding our point of view on the upcoming 2007 Farm Bill. My name is Bill Donald, and I am a third generation cattle rancher from Melville, Montana. I currently serve as the president of the Montana Stockgrowers Association, one of the oldest livestock organizations in the United States established in 1884.

For nearly 125 years MSGA members have labored to develop association policy that strives to minimize direct federal involvement in our ranches. As well as policy that preserves our rights as independent stockmen to choose the best management practices for our land, livestock and water. We have remained steadfast in that the free market system has been crucial to the long-term sustainability of the livestock industry in Montana. We sometimes experience dramatic cyclical market ups and downs but we contend that true price discovery in a free, competitive market place works. It is not in the best interest of Montana's stockmen to become suppliant at the door of the federal government.

As Congress begins crafting the 2007 Farm Bill, MSGA would like to address a few critical points that we feel can be best addressed through an effective Farm Bill.

The Next Generation

We address this issue with a burdensome amount of worry and uncertainty for what the future holds for Montana's young and aspiring ranchers. Today, Montana's ranches are appraised and valued above and beyond anything we have ever seen. Their values don't reflect agriculture production values. Instead, ranch values reflect recreational and scenic getaway values. Many, in close proximity to urban areas are highly valued for development purposes that are purchased and are being developed into country subdivisions. This combination of rapidly escalating land costs, equipment, fuel and supplies, make it at or near impossible for young beginning ranchers to establish a viable business. The average age of a rancher in Montana is now 60 years old. Ranch families all across Montana are fiercely challenged by the aforementioned dynamics that limit opportunity for the ranch to grow and expand and for their kids to come back and work the ranch. It's imperative we continue the productivity and economic viability of the family ranch within Montana to entice our young folks back.

Provisions that could offer tax incentives to landowners or retiring ranchers who would be willing to sell to young producers is something we would like to explore. Provisions that make the process, qualifications and the red tape less burdensome for young producers to receive production loans through Farm Service Agency (FSA) is something that needs to be reformed.

Marketing and Competition

As we did in 2002 we fully expect there to be a number of cattle and beef marketing issues brought forth to debate during the 2007 Farm Bill. Montana's ranchers have little tolerance for those individuals or firms who attempt price fixing maneuvers and market place manipulation. Therefore MSGA contends that the role of the federal government in these matters is to provide effective oversight that ensures a true and competitive market

complex for cattle and beef. That is done by strongly enforcing the Packers and Stockyards Act of 1921 to reconcile these issues. It is not the role of the federal government to prohibit or limit a cattleman's right to pursue new marketing opportunities that work towards capturing a larger portion of the consumer's expenditures for beef. In an effort to enhance the marketplace for Montana's ranchers, we support legislation that allows interstate shipment of meat inspected by our state department of livestock. State processing plants across the country follow the same food safety techniques, and our state inspectors are skillfully trained. In short, the government's role should be to ensure that private enterprise in marketing and risk management determines a producer's sustainability and survival. The government's role is not to guarantee profit to livestock producers.

Conservation Programs

How can the 2007 Farm Bill best achieve conservation and environmental goals? My short answer to this is "working lands." "Working lands" support rural communities and economies, provide food and fiber for the world and supply abundant habitat for just about every wildlife species in existence. So, how do we meet the task of combining "working lands" and conservation for the 2007 Farm Bill? We start by continuing the programs that have proven to be effective in the past. One of the most widely used programs amongst Montana ranchers is the Environmental Quality Incentive Program (EQIP). In 2005, Montana's EQIP had a list of 86 eligible practices, from crop rotation to filter strips to water well developments. These practices are on a cost share basis of between 50 % and 75%. This list provides a range of practices that are available to the range of different operations that are in existence in Montana. By implementing one or all of these practices, ranchers are working toward the goals of this program, which is taking care, and improving soil and water conditions. EQIP is a program that has helped tremendously in developing and improving the resources of our ranches. Ranchers across Montana have participated in this program to better develop water resources, land utilization and wildlife habitat. However, developing guidelines that render some producers eligible and others ineligible limits the success of EQIP. All ranchers in Montana have the responsibility to take care of the environment and their land, and should have the ability to participate in programs like EQIP to assist them in reaching attainable environmental goals. This Farm Bill should focus on assuring that ranchers be afforded equal access to cost share dollars under EQIP.

Another program that we feel falls right in line with the "working lands" concept is the Conservation Security Program (CSP). This program has rewarded ranchers for the level of conservation practices they have implemented on their operations. The program will have great potential, but it will take time and effort to make it as successful as some of the other conservation programs. I have mentioned just two programs, but there are other programs that have also been successful, such as the Wetlands Reserve Program and the Wildlife Habitat Incentives Program. These programs have played a smaller role in the past, but they still fulfill a role that has been useful to landowners.

With respect to the Conservation Reserve Program (CRP) MSGA has contended that there are damaging effects from completely halting the productive economic activity on

the land enrolled in CRP. We contend that conservation objectives can be achieved in conjunction with economic activity on land. Currently, the way the program is designed now; MSGA accepts emergency haying and grazing of CRP under extreme conditions. Extreme conditions of course need to be determined by county Farm Service Agency (FSA) committees. If haying or grazing is authorized, the CRP payment should be forfeited in direct proportion to the contract acres used.

Yellowstone Park Brucellosis

The elk and bison herds of the Greater Yellowstone Area (GYA) contain the last reservoir of *Brucella abortus* in the United States. The control of this disease has cost the U.S. taxpayers and ranchers millions of dollars. MSGA fully supports the signing of a Memorandum of Understanding by the United States Departments of Agriculture (USDA) and the Department of Interior that directs USDA's Animal Plant Health Inspection Service (APHIS) being the lead agency in the development and implementation of a Brucellosis elimination plan for the GYA. This is the necessary next step in the elimination of this devastating disease.

Montana State University Bio Science Complex

Montana State University (MSU) and the USDA – Department of Animal and Range Sciences have developed a partnership that will advance new research related to the USDA's multi-million dollar Beef Cattle Functional Genomic Research Initiative with the construction of a state of the art Bio Science Complex on the campus of MSU. The research that will be undertaken in this facility has the potential to advance the U.S. cattle industry to new heights by insuring its success and competitiveness for future generations. MSGA supports the funding for this important facility.

Endangered Species Act

MSGA believes there is real opportunity to include provisions in the 2007 Farm Bill that will help Montana ranchers comply with the Endangered Species Act (ESA). There have been some efforts at the congressional level to improve ESA, but it would appear that it will be a long process before there are any significant changes. In Montana, we have 14 animals and 2 plant species listed as endangered or threatened. Along with that, the state also has 656 species listed as "species of concern". Ranchers need some assurances these species, endangered, threatened or "species of concern" do not put them out of business. The Farm Bill can provide some assistance or cost share programs that would make it a benefit to have these species on our ranches instead of them being a threat. In Montana, the EQIP program has addressed some of these concerns dealing with the arctic grayling and large predators, such as wolves. Montana's ranchers are true conservationists, the ones that actually provided for these species and in turn, they should be rewarded for their efforts.

Noxious Weeds

Rangeland, pastureland, cropland, forests and wild lands comprise of 92 million acres, or 98% of the total land area in Montana. These lands are vital for livestock and agriculture production. Currently 27 noxious weeds infest about 8.2 million acres in Montana. These non-native species are affecting the economic stability of the state and severely impact

the ecological integrity of Montana's lands and waters. It is calculated that approximately \$47 million (2.5 times the current budget) is needed to implement a balanced weed management program that slows weed spread and reduces current infestations by 5% per year. This Farm Bill needs provisions that address the range war on noxious weeds.

Conclusion

We work hard to create value, growth, sustainability and opportunity for our ranches and our ranching heritage in Montana. We appreciate the opportunity that we have been granted to present our comments today and we look forward to working with you throughout the course of this 2007 Farm Bill Process.